

## CSI Flexible Benefits Plan

Date: March 27, 2009

To: CSI Member Schools

From: Howard Van Mersbergen Executive Secretary-Treasurer

### IN BRIEF

**Reduce Your Health Care Expenses** — Every dollar of savings helps your staff  
**Schools Save an Average of \$2,700 Each Year** — Schools save as well as participants  
**The CSI Flexible Benefits Plan** — CSI's plan is set up specifically for schools and staff  
**Features of the Plan** — Minimal administration with rapid claim reimbursement  
**Health Savings Account (HSA) Contributions** — Pretax contributions to an HSA  
**Cash in Lieu of Benefits** — Plan allows schools to pay cash instead of benefits  
**Enrolling for the Plan Year Beginning September 1, 2009** — Act now!  
**Who To Contact** — Contact CSI if you have questions or need assistance

### Reduce Your Health Care Expenses

The CSI Flexible Benefits Plan (a Section 125 plan) gives schools and employees the opportunity to reduce health care expenses. Employees save by paying benefit-related expenses with pre-tax dollars. Schools save because every dollar contributed to a flexible spending account plan is exempt from FICA taxes. The more employees contribute to the plan, the more money your school saves in payroll taxes. In fact, many schools have realized more in tax savings than it costs to administer the plan.

### Schools Save an Average of \$2,700 Each Year

Schools save an average of \$2,700 after expenses each year through reduced FICA taxes. Participants save an average of over \$500 each year by using the CSI Flexible Benefits Plan for pretax contributions for health care expenses. This creates a win-win situation for your school and employees.

### The CSI Flexible Benefits Plan

It is our goal to provide member schools with a high quality benefits package that is administered in an efficient manner. CSI's partnership with Arcadia Benefits Group, our claims processor, meets that goal. Participants have the choice of using the premium account, medical reimbursement account, and/or dependent care account.

### Features of the Plan

The features of the CSI Flexible Benefits Plan are quite attractive to make participation easy and hassle-free. The features of the Plan are:

1. **Administrative Fee:** There is no set-up fee or installation charge to join the plan. There is no charge for participants using only the premium account. The fee for the medical reimbursement account/dependent care account is \$5.00 per participant per month and the monthly minimum fee for a school is \$50.00. Because contributions to the CSI Flexible Benefits Plan reduce taxable income, a reduction in the school's payroll tax will offset some or all of the administrative fees.

2. **Monthly Statement:** Schools self-report deductions each pay period and forward contributions for only that pay period. Premium dollars do not need to be reported by the school; only medical reimbursement and dependent care amounts are reported. A monthly invoice will be sent to the school but it will bill only for the administrative fee.
3. **No Need to Send Funds, Your School Keeps the Funds Until Used:** Schools will be responsible for maintaining and funding a checking account that CSI's claims administrator, Arcadia Benefits Group, will use to generate the Health or Dependent Care FSA reimbursements. This account can be a separate checking account or it can simply be the school general fund.
4. **Over-the-Counter Items:** Over-the-counter items purchased to alleviate or treat personal injury or illness are now eligible for reimbursement through the CSI Flexible Benefits Plan. These include Tylenol, Advil, aspirin, contact lens supplies, cold and flu medication and more.
5. **Direct Deposit:** Participants are reimbursed by direct deposit. This time saving feature reduces the time it takes to receive reimbursement and the funds are immediately available. The participant will receive a deposit advice in lieu of a check.
6. **Fax Claims:** Participants may fax claims to Arcadia to further reduce the time required to receive reimbursement.
7. **Claim Processing:** Claims are processed and payments are issued daily and most claims are processed within 24 hours. Arcadia guarantees that all claims will be processed within 48 hours of receipt.
8. **Web Site:** A web site is available for participants to access their accounts online to check claims, reimbursements, and account balances.
9. **Forms:** You are able to print claim forms and other forms from the CSI web site.

#### Health Savings Account (HSA) Contributions

If your school or participants contribute to a health savings account, the CSI Flexible Benefits Plan allows these contributions to be made pretax. Without a Section 125 plan, deductions must be made post-tax with a corresponding adjustment on the participant's annual income tax filing.

#### Cash in Lieu of Benefits

Do you offer payment for opting out of your health insurance plan to employees who are eligible for coverage elsewhere? The IRS requires that this "cash in lieu of benefits" option be used only within a Section 125 plan like the CSI Flexible Benefits Plan. Call CSI for details.

#### Enrolling for the Plan Year Beginning September 1, 2009

If you would like more information about the CSI Flexible Benefits Plan or would like to take advantage of its tax-saving features, contact Brian at 877-274-8796, ext. 237 or Sharon at ext. 228. The enrollment materials for the Plan Year beginning September 1, 2009, are mailed in May so contact us now to enroll your school.



#### Who to Contact at CSI for Support

More information about CSI's benefit plans is located on our web site at [www.CSionline.org](http://www.CSionline.org). Select Employee Benefits and the appropriate plan. If you have questions, call Brian at 877-274-8796 x237, or Sharon at ext. 228. You can also contact us by e-mail at [bmeekhof@CSionline.org](mailto:bmeekhof@CSionline.org) or [sfeikema@CSionline.org](mailto:sfeikema@CSionline.org).